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Sixty-fifth session
Agenda item 113 (a)

Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Advisory Committee on Administrative and Budgetary Questions

Report of the Fifth Committee

Rapporteur: Ms. Nicole Ann **Mannion** (Ireland)

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Advisory Committee on Administrative and Budgetary Questions" and to allocate it to the Fifth Committee.

2. At its 14th meeting, on 5 November 2010, the Fifth Committee had before it the following documents:

(a) Note by the Secretary-General concerning the vacancies in the membership of the Advisory Committee on Administrative and Budgetary Questions that would occur as a result of the expiration of the term of office of six of its members on 31 December 2010 (A/65/101/Rev.1);

(b) Note by the Secretary-General containing the names of eight persons nominated by their respective Governments for appointment or reappointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term of office beginning on 1 January 2011 (A/C.5/65/4).

3. At the same meting, the Chair of the Committee informed the Committee that the Secretariat had received a note verbale, dated 22 October 2010, from the Permanent Mission of Saudi Arabia to the United Nations, informing it that the Government had withdrawn its candidature for election as member of the Advisory Committee on Administrative and Budgetary Questions.

4. Also at the same meeting, the Committee decided, by acclamation, to recommend to the General Assembly that it appoint Carlos Ruiz Massieu (Mexico),

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Peter Maddens (Belgium) and Richard Moon (United Kingdom of Great Britain and Northern Ireland) as members of the Advisory Committee on Administrative and Budgetary Questions for a three-year term of office beginning on 1 January 2011 (see para. 7).

5. At the same meeting, the Committee proceeded to select, by secret ballot, three persons from the four candidates nominated by the Group of Asian States. The result of the voting was as follows:

Asian States

Number of ballots cast:	190
Invalid ballots:	0
Number of valid ballots:	190
Abstentions:	0
Number of members voting:	190
Required majority:	96
Number of votes obtained:	
Namgya C. Khampa (India)	164
Akira Sugiyama (Japan)	147
Zhang Wanhai (China)	130
Imtiaz Hussain (Pakistan)	114

6. Having obtained the required majority, Namgya C. Khampa (India), Akira Sugiyama (Japan) and Zhang Wanhai (China) were recommended for appointment as members of the Advisory Committee on Administrative and Budgetary Questions for a three-year term of office beginning on 1 January 2011 (see para. 7).

Recommendation of the Fifth Committee

7. The Fifth Committee recommends that the General Assembly appoint the following persons as members of the Advisory Committee on Administrative and Budgetary Questions for a three-year term of office beginning on 1 January 2011:

Ms. Namgya C. Khampa (India)

Mr. Peter Maddens (Belgium)

Mr. Carlos Ruiz Massieu (Mexico)

Mr. Richard Moon (United Kingdom of Great Britain and Northern Ireland)

Mr. Akira Sugiyama (Japan)

Mr. Zhang Wanhai (China)

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Sixty-fifth session
Agenda item 113 (b)

Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Committee on Contributions

Report of the Fifth Committee

Rapporteur: Ms. Nicole Ann **Mannion** (Ireland)

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Committee on Contributions" and to allocate it to the Fifth Committee.

2. At its 14th meeting, on 5 November 2010, the Fifth Committee had before it the following documents:

(a) Note by the Secretary-General concerning the vacancies in the membership of the Committee on Contributions that would occur as a result of the expiration of the term of office of six of its members on 31 December 2010 (A/65/102/Rev.1);

(b) Note by the Secretary-General containing the names of six persons nominated by their respective Governments for appointment or reappointment to the Committee on Contributions for a three-year term of office beginning on 1 January 2011 (A/C.5/65/5).

3. At the same meeting, the Committee decided, by acclamation, to recommend to the General Assembly that it appoint Joseph Acakpo-Satchivi (Benin), Juan Ndong Mbomio Mangue (Equatorial Guinea), Bernardo Greiver del Hoyo (Uruguay), Pedro Luis Pedroso (Cuba), Gordon Eckersley (Australia) and Thomas Schlesinger (Austria) as members of the Committee on Contributions for a three-year term of office beginning on 1 January 2011 (see para. 4).

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Recommendation of the Fifth Committee

4. The Fifth Committee recommends that the General Assembly appoint the following persons as members of the Committee on Contributions for a three-year term of office beginning on 1 January 2011:

Joseph Acakpo-Satchivi (Benin)

Gordon Eckersley (Australia)

Bernardo Greiver del Hoyo (Uruguay)

Juan Ndong Mbomio Mangue (Equatorial Guinea)

Pedro Luis Pedroso (Cuba)

Thomas Schlesinger (Austria)

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Sixty-fifth session
Agenda item 113 (c)

Appointments to fill vacancies in subsidiary organs and other appointments: confirmation of the appointment of members of the Investments Committee

Report of the Fifth Committee

Rapporteur: Ms. Nicole Ann **Mannion** (Ireland)

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "Appointments to fill vacancies in subsidiary organs and other appointments: confirmation of the appointment of members of the Investments Committee" and to allocate it to the Fifth Committee.

2. At its 14th meeting, on 5 November 2010, the Fifth Committee had before it the following documents:

(a) Note by the Secretary-General concerning vacancies in the membership of the Investments Committee that would occur as a result of the expiration of the term of office of four of its members on 31 December 2010 (A/65/103);

(b) Note by the Secretary-General, in which, in accordance with the provisions of article 20 of the Regulations of the United Nations Joint Staff Pension Fund, the Secretary-General, after consultation with the United Nations Joint Staff Pension Board and the Advisory Committee on Administrative and Budgetary Questions, submitted for confirmation by the General Assembly the reappointment of two members of the Investments Committee as regular members for a three-year term and of one member of the Committee as a regular member for a one-year term, as well as the appointment of one member of the Committee as a regular member for a three-year term (A/C.5/65/6).

3. At the same meeting, the Fifth Committee decided, by acclamation, to recommend to the General Assembly that it confirm the reappointment of Achim Kassow (Germany) and William J. McDonough (United States of America) as regular members of the Investments Committee for a three-year term of office beginning on 1 January 2011 and of Hélène Ploix (France) as a regular member of the Committee for a one-year term of office, effective 1 January 2011 and expiring

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on 31 December 2011, as well as the appointment of Simon Jiang (China) as a regular member for a three-year term of office beginning on 1 January 2011 (see para. 5 below).

4. Also at the same meeting, the Committee decided, by acclamation, to recommend to the General Assembly that it confirm the reappointment of Ivan Pictet (Switzerland) and the appointment of Hilda Ochoa-Brillembourg (Bolivarian Republic of Venezuela) as ad hoc members of the Investments Committee for a one-year term of office beginning on 1 January 2011 (see para. 6 below).

Recommendations of the Fifth Committee

5. The Fifth Committee recommends that the General Assembly confirm the reappointment by the Secretary-General of Mr. Achim Kassow (Germany) and Mr. William J. McDonough (United States of America) as regular members of the Investments Committee for a three-year term of office beginning on 1 January 2011 and to confirm the reappointment of Ms. Hélène Ploix (France) as a regular member of the Committee for a one-year term of office beginning on 1 January 2011, as well as to confirm the appointment of Mr. Simon Jiang (China) as a regular member of the Committee for a three-year term of office beginning on 1 January 2011.

6. The Committee also recommends that the General Assembly reappoint Mr. Ivan Pictet (Switzerland) and appoint Ms. Hilda Ochoa-Brillembourg (Bolivarian Republic of Venezuela) as ad hoc members of the Investments Committee for a one-year term of office beginning on 1 January 2011.

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Agenda item 113 (d)

Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the International Civil Service Commission

Report of the Fifth Committee

Rapporteur: Ms. Nicole Ann **Mannion** (Ireland)

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session, under the item entitled "Appointments to fill vacancies in subsidiary organs and other appointments", the sub-item entitled:

"(d) Appointment of members of the International Civil Service Commission:

"(i) Appointment of members of the Commission;

"(ii) Designation of the Chairman of the Commission",

and to allocate it to the Fifth Committee.

2. At its 14th meeting, on 5 November 2010, the Fifth Committee had before it the following documents:

(a) Note by the Secretary-General concerning the vacancies in the membership of the International Civil Service Commission that would occur as a result of the expiration of the terms of office of five of its members on 31 December 2010 (A/65/104/Rev.1);

(b) Note by the Secretary-General containing the names of persons nominated by their respective Governments for appointment or reappointment to the Commission, to fill the following vacancies: two members from the African States, one member from the Eastern European States, one member from the Latin American and Caribbean States and one member from the Western European and Other States (A/C.5/65/7);

(c) Note by the Secretary-General containing the name of one person nominated by his respective Government for designation to the post of Chair of the International Civil Service Commission (A/C.5/65/7/Add.1).

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3. At the same meeting, the Chair of the Committee informed the Committee that the Secretariat had received a note verbale dated 29 October 2010 from the Permanent Mission of Argentina to the United Nations, informing it that the Government had withdrawn its candidature for re-election as a member of the International Civil Service Commission.

4. Also at the same meeting, the Committee decided, by acclamation, to recommend to the General Assembly the appointment of Daasebre Oti Boateng (Ghana), Kingston Papie Rhodes (Sierra Leone), Carleen Gardner (Jamaica) and Marie-Françoise Bechtel (France) as members of the Commission for a four-year term of office beginning on 1 January 2011 (see para. 8).

5. The Fifth Committee then proceeded to elect, by secret ballot, one person from among the two candidates nominated by the Group of Eastern European States. The result of the voting was as follows:

Number of ballots cast:	188
Invalid ballots:	0
Number of valid ballots:	188
Abstentions:	3
Number of members voting:	185
Required majority:	93
Number of votes obtained:	
Eugeniusz Wyzner (Poland)	110
Eugen Mihut (Romania)	75

6. Having obtained the required majority, Eugeniusz Wyzner (Poland) was recommended for appointment as member of the Commission for a four-year term of office beginning on 1 January 2011 (see para. 8).

7. At its 14th meeting, on 5 November, and based on the outcome of the election of the members to the International Civil Service Commission, Kingston Papie Rhodes was the only declared candidate for designation as Chair. The Committee decided, by acclamation, to recommend to the General Assembly that it designate Kingston Papie Rhodes (Sierra Leone) as Chair of the International Civil Service Commission for a four-year term of office beginning on 1 January 2011 (see para. 8).

Recommendation of the Fifth Committee

8. The Fifth Committee recommends that the General Assembly:

(a) Appoint the following persons as members of the International Civil Service Commission for a four-year term of office beginning on 1 January 2011:

Ms. Marie-Françoise Bechtel (France)
Mr. Daasebre Oti Boateng (Ghana)
Ms. Carleen Gardner (Jamaica)
Mr. Kingston Papie Rhodes (Sierra Leone)
Mr. Eugeniusz Wyzner (Poland);

(b) Designate Mr. Kingston Papie Rhodes (Sierra Leone) as Chair of the International Civil Service Commission for a four-year term of office beginning on 1 January 2011.

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Agenda item 113 (e)

Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Independent Audit Advisory Committee

Report of the Fifth Committee

Rapporteur: Ms. Nicole Ann **Mannion** (Ireland)

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "Appointments to fill vacancies in subsidiary organs and other appointments: appointment of members of the Independent Audit Advisory Committee" and to allocate it to the Fifth Committee.

2. At its 14th meeting, on 5 November 2010, the Fifth Committee had before it the following documents:

(a) Note by the Secretary-General concerning the vacancies in the membership of the Independent Audit Advisory Committee that would occur as a result of the expiration of the term of office of three of its members on 31 December 2010 (A/65/105);

(b) Note by the Secretary-General containing the names of three persons nominated by their respective Governments for appointment or reappointment to the Independent Audit Advisory Committee for a three-year term of office[1] beginning on 1 January 2011 (A/C.5/65/8).

3. At the same meeting, the Committee decided, by acclamation, to recommend to the General Assembly that it appoint Vinod Rai (India), Vadim Vadimovich Dubinkin (Russian Federation) and Adrian Patrick Strachan (Jamaica) as members of the Independent Audit Advisory Committee for a three-year term of office beginning on 1 January 2011 (see para. 4).

[1] Members shall serve for three years and can be re-elected for a second and final term of three years.

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Recommendations of the Fifth Committee

4. The Fifth Committee recommends that the General Assembly appoint the following persons as members of the Independent Audit Advisory Committee for a three-year term of office beginning on 1 January 2011:

Vadim Vadimovich Dubinkin (Russian Federation)
Vinod Rai (India)
Adrian Patrick Strachan (Jamaica)

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Agenda item 137
United Nations pension system

United Nations pension system

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the United Nations Joint Staff Pension Board, including the report of the Board of Auditors on the financial statements of the Fund for the biennium ended 31 December 2009 (A/65/9). The Committee has also considered the reports of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase diversification (A/C.5/65/2) and on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/65/3). In addition, the Committee had before it a note by the Secretary-General on the membership of the Investments Committee (A/C.5/65/6). During its consideration of those matters, the Committee met with the Chairman of the Pension Board, the Chief Executive Officer of the Pension Fund and the Representative of the Secretary-General for the Investments of the Fund.

2. Recommendations made and decisions taken by the Board at its fifty-seventh session that require action by the General Assembly are listed in chapter II, paragraph 12, of the report of the Pension Board. Annex XX to the report contains a draft resolution proposed for adoption by the Assembly. Information provided on other action taken by the Board is contained in chapter II, paragraph 13, of the report. In the present report, the Advisory Committee focuses its comments and recommendations primarily on areas requiring action by the Assembly.

3. The Board of Auditors issued a modified audit opinion on the financial statements of the Fund with one emphasis of matter on the management of investments of the Fund as a result of its audit of the financial statements and review of the operations of the United Nations Joint Staff Pension Fund for the biennium ended 31 December 2009. Specifically, the audit opinion related to the non-disclosure of realized and unrealized losses on the investments of the Fund in

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the financial statements during the period under review (see paras. 7-9 below). **The Advisory Committee concurs with the Board of Auditors opinion and also points to other audit findings that need to be addressed as soon as possible (see paras. 20-21 below). In this regard, the Committee draws attention to the proposed draft resolution for adoption by the General Assembly, in which the Pension Board proposes that the Assembly "note" the modified audit opinion of the Board of Auditors (see A/65/9, annex XX, para. 2). However, given the serious implications of such an audit opinion, the Committee is of the view that it would be more appropriate for the Assembly to express concern that the Pension Fund had received a modified audit opinion with one emphasis of matter on the management of investments and to state its expectation that the recommendations of the Board of Auditors are implemented without further delay.**

II. Summary of the operations of the Fund

4. In paragraphs 14 to 16 of its report (A/65/9), the Pension Board provides a summary of the operations of the Fund for the biennium ended 31 December 2009, which shows an increase in the number of participants in the Fund from 106,566 to 117,580, an increase in the number of periodic benefits in award from 58,084 to 61,841 and an increase in the principal of the Fund from $30.6 billion to $33.1 billion, or 8.3 per cent. The net investment income of the Fund during the period amounted to approximately $2.7 billion.

III. Actuarial matters

5. Paragraphs 17 to 65 of the report deal with actuarial matters, including the results of the thirtieth actuarial valuation of the Fund, which showed an actuarial deficit of 0.38 per cent of pensionable remuneration as at 31 December 2009, or $1.2 billion, which is the first negative actuarial result after six consecutive positive actuarial results over the past 14 years. The Committee of Actuaries noted that the Fund's investments had shown considerable volatility and that the change resulted primarily from investment losses; these losses were partially offset by gains as a result of cost-of-living adjustments provided to retirees and beneficiaries that were lower than expected. The Advisory Committee notes that both the Fund's consulting actuary and the Committee of Actuaries were of the opinion that the present contribution rate continues to be sufficient to meet long-term liabilities under the Pension Fund and that, as at 31 December 2009, there was no requirement for deficiency payments under article 26 of the Regulations of the Fund. In this connection, the Advisory Committee points out that the Committee of Actuaries has recommended an actuarial surplus of approximately 1 to 2 per cent of pensionable remuneration as a minimum safety margin (ibid., para. 42). **The Advisory Committee recommends that the newly identified deficit be closely monitored with the aim of redressing the situation.**

IV. Investments of the United Nations Joint Staff Pension Fund

6. The Advisory Committee was informed that the total market value of the Fund's assets had increased by 32.2 per cent, from approximately $26.7 billion as at 31 March 2009 to $38.3 billion as at 31 March 2010. As at 22 October 2010, the Fund's market value amounted to $40.4 billion. For the biennium 2008-2009, total realized investment gains amounted to $3.1 billion and total realized investment losses amounted to $2.7 billion, resulting in a net realized gain of $411 million. However, as indicated in the report of the Secretary-General, during the biennium the Fund encountered the most volatile markets in its history (A/C.5/65/2, para. 61). The Advisory Committee was informed that, following the rebalancing of the portfolio in the first half of 2009, the Fund earned 32.2 per cent for the 12 months ending 31 March 2010. The Committee was further informed that equities represented 51.9 per cent and 65.6 per cent of the total Fund in 2009 and 2010, respectively.

7. The Board of Auditors observed that the net profit for the biennium 2008-2009 on the sale of investments of $412 million included realized losses of $2.7 billion. In addition, unrealized losses of $1.9 billion were included in the $4 billion of unrealized profit as at 31 December 2009. The Advisory Committee was informed by the Board that, for investments still on hand since the inception of the Fund, cumulative unrealized gains amounted to $5.9 billion and cumulative unrealized losses to $1.9 billion, resulting in a net unrealized gain in the amount of $4 billion. In this connection, the Board observed in its audit report that unrealized profit and positions are not separately disclosed or discernible in the financial statements and recommended that the Pension Fund's Investment Management Division provide a clear description and disclosure of investments in the financial statements (see A/65/9, annex X, para. 95). The Board was also of the view that some of the realized and unrealized losses were excessive and that on some investments, reversal of the losses may occur only after a long time, or the full reversal of such losses may never occur; this indicated that the Fund had not set a suitable tolerance level for losses to avoid excessive losses. In response, the Investment Management Division is currently implementing a risk management manual and developing a risk management software tool to strengthen its risk controls (see also para. 16 below). The Advisory Committee notes that the Pension Board has fully endorsed the recommendations of the Board of Auditors. **The Advisory Committee welcomes the initiatives currently being implemented by the Investment Management Division. It also concurs with the Board's recommendations regarding the revised risk management policy and that the Division continue to implement its newly developed risk management manual.**

8. The Board stated that the United Nations system accounting standards carried investments at the price paid, not at the current market values, whereas the International Public Sector Accounting Standards (IPSAS) will show unrealized gains and losses in a transparent manner. The Board of Auditors therefore stressed the need for the timely implementation of IPSAS (see also paras. 12-15 below).

9. **The Advisory Committee concurs with the recommendations of the Board of Auditors. The Committee is concerned at the fact that the Pension Fund received an unqualified audit opinion with one emphasis of matter on the realized and unrealized losses on the investments of the Fund on the financial statements for the biennium ended 31 December 2009. The Advisory Committee**

urges the Pension Fund to implement the Board's recommendations. The Committee is cognizant of the volatility of international financial markets and the impact on the Pension Fund's annual rate of return, as evident from the fluctuations of the Fund's historical returns since 1961 (see A/C.5/65/2, table 4). The Advisory Committee expects that, as recommended by the Board of Auditors, the Fund will identify lessons learned with respect to the realized losses for the biennium 2008-2009 and its current unrealized loss positions to ensure that the criteria established by the General Assembly in its resolution 32/73, namely, safety, profitability, liquidity and convertibility, remain the paramount investment guidelines (A/65/9, annex X, para. 112, and A/63/556, para. 6).

10. The Advisory Committee notes that the Fund continues to invest in developing countries. The Committee was informed that, as at 31 March 2010, the Fund had investments in 19 developing countries, 11 currencies and seven supranational and regional institutions. The Fund had made direct and indirect investments in developing countries in the amount of $4.8 billion as at 31 March 2010, representing an increase of 25 per cent from $3.8 billion at cost compared with 31 March 2008. As at the same date, the Fund's development-related market value was dispersed as follows: (a) approximately $575 million in Africa; (b) $3.3 billion in Asia; (c) $110 million in Europe; (d) $1.4 billion in Latin America; and (e) $728 million in international and emerging market development funds. The Committee also notes that investment visits were undertaken to Africa, Asia, Latin America and Eastern Europe during the period under review. **The Advisory Committee reiterates its recommendation that the Board continue to explore opportunities for investment in developing countries and countries with economies in transition.**

V. Membership of the Investments Committee

11. Article 20 of the Regulations of the Fund provides that the members of the Investments Committee shall be appointed by the Secretary-General after consultation with the Pension Board and the Advisory Committee, subject to confirmation by the General Assembly. The Secretary-General conveyed to the Pension Board and the Advisory Committee the names of four regular members and two ad hoc members of the Investments Committee whom he intended to propose to the Assembly for appointment or reappointment. The Advisory Committee communicated its concurrence with those proposals to the Secretary-General on 29 October 2010.

VI. Administrative matters of the Fund

12. Detailed information concerning the Fund's operations and financial position during the biennium 2008-2009 is provided in paragraphs 103 to 108 of the report. The Advisory Committee notes that the Pension Board has decided to implement the IPSAS accounting standards as from 1 January 2012. In this connection, the Committee was informed that the Pension Fund was confident that the new Chief Financial Officer would be on board in time to lead the timely implementation of the new accounting standards. The Board of Auditors observed, however, that the

Pension Fund's IPSAS implementation plan stated that no dedicated staff had been designated to the IPSAS project other than an outside consultant and a yet-to-be appointed Chief Finance Officer. The Board also found that the draft of the IPSAS implementation plan, which was developed by an outside consultant without the involvement of all stakeholders, did not specify which aspects of the Financial Regulations and Rules needed to be revised.

13. **The Advisory Committee concurs with the Board of Auditors that the Pension Fund should finalize and approve its IPSAS implementation plan in a timely manner. The Committee expects that the new Chief Financial Officer will be hired as soon as possible and that, in the interim, preparation for IPSAS will proceed to ensure its implementation on 1 January 2012. Furthermore, the Committee encourages the Board of Auditors to closely monitor the Pension Fund's IPSAS implementation progress and reiterates its recommendation that the Board report to the General Assembly on an annual basis on progress made (see A/65/498, para. 19).**

14. The report of the Pension Board highlights the lack of guidance on IPSAS 25 provided by the external auditors to the member organizations of the Fund; IPSAS 25 prescribes the accounting and disclosure for employee benefits. **In this connection, the Advisory Committee continues to encourage the Board of Auditors to provide, when requested, advice and guidance (ibid., para. 20).**

15. As detailed in paragraph 131 of the report of the Pension Board, the Board reviewed a proposed revision presented by the Fund's secretariat to increase the Fund's budget for the biennium 2010-2011 by $301,600 (0.2 per cent). The Pension Board decided not to approve any additional resources, deciding that the total appropriation in the amount of $176,318,500 shall remain unchanged. The Pension Board decided, inter alia, that IPSAS-related requirements should be met through the redeployment of funds and that any additional staff requirements should be met using general temporary assistance. It also decided not to approve the reclassification of the post of Chief Legal Officer from P-5 to D-1. **In this connection, the Advisory Committee emphasizes that sufficient support, drawn from existing resources, should be made available to ensure the timely and well-managed implementation of IPSAS.**

16. The Advisory Committee notes that the Pension Fund has implemented a revised enterprise-wide risk management policy, which includes an accountability dimension, aimed at allowing management to monitor and mitigate risk. The Investment Management Division has also implemented a code of ethics and a policy on personal trading activities prohibiting staff members from engaging in personal securities trading based on their knowledge of the Fund's activities. In addition, a risk management manual was approved, which, inter alia, identifies the major risks to which the Fund is exposed.

17. The Advisory Committee notes other measures introduced by the Investment Management Division aimed at reducing costs and enhancing the security of fund transfers. For example, the Division has successfully implemented the Charles River trade order management system to replace its fax-based order placement procedure and to enhance the security and execution capability of its trading activities. According to the report of the Secretary-General (A/C.5/65/2), since 8 January 2010 security transactions for equity, fixed income, foreign exchange and cash have been gradually shifted to the new system; also, between 30 May and 31 August 2010,

trades with a value of over $3.74 billion have been executed through the Charles River system. The Division has also implemented a system for documenting the logic behind each investment purchase and key risk factors to be monitored, which will be electronically linked with each investment in the Charles River system. Also in January 2010, the Division integrated the Charles River system with the secure Society for Worldwide Interbank Financial Telecommunication (SWIFT) financial telecommunications system. **The Advisory Committee welcomes these and other initiatives of the Investment Management Division.**

18. The medical consultant to the Pension Board presented a report covering the period from 1 January 2008 to 31 December 2009, containing information and analysis on new disability benefits awarded during that period, and data on new disabled children's benefits and on deaths of participants while in service (see A/65/9, paras. 174-179). The medical consultant advised that the incidence rate of disability benefits remained low and that the current medical examination focused only on fitness to work. The Board also discussed the standards for medical examinations required for taking up employment in a member organization. The Advisory Committee was informed during the hearings that the medical consultant would compare the United Nations medical standards with the standards used by other member organizations and, if possible, develop a uniform standard for medical examinations for purposes of participation in the Fund. **The Advisory Committee concurs with the Pension Board's request that the medical consultant look into the possibility of establishing a standard for medical examinations for purposes of participation in the Fund pursuant to article 41 of the Fund Regulations.**

VII. Audit

19. The Pension Board considered the report of the Board of Auditors and agreed with the findings and recommendations included in the audit report (A/65/9, annexes IX and X). However, the Board of Auditors issued a modified opinion on the financial statements for the biennium 2008-2009 with one emphasis of matter on the management of investments. **In the paragraphs above, the Advisory Committee has provided its comments and expressed its concern with respect to the audit opinion received.**

20. In its report, the Board of Auditors observed that the financial statements by the United Nations University (UNU) for the biennium ended 31 December 2009 indicated that its Endowment Fund had a market value of $279 million and had suffered a loss of $54.9 million. The Board indicated further that it considered the investment of the assets of the UNU Endowment Fund to be funds under management by the Investment Management Division, recommending that the Division make a complete disclosure in its financial statements of these investments. In this connection, the Advisory Committee recalls that the investments of the UNU Endowment Fund are managed by a financial advisory firm, but overseen by the Investment Management Division and the Representative of the Secretary-General for Investments of the Pension Fund (see A/65/498). Upon enquiry, the Committee was informed that the funds of the UNU Endowment Fund are not co-mingled with those of the Pension Fund. **The Advisory Committee concurs with the Board of Auditors on the need for transparent disclosure of the investments of the UNU Endowment Fund and notes that the Pension Board has agreed that such disclosure would be provided in future.**

21. The Advisory Committee highlights below some of the other findings presented by the Board of Auditors:

(a) The Pension Fund submitted its certified financial statements eight weeks late, which is in contravention of financial regulation 6.5. During the hearings with the Advisory Committee, the Board indicated its concern, in particular since the Fund, as a financial institution, was expected to be current with its financial information;

(b) While the Pension Fund recognized its end-of-service liabilities and after-service health insurance for the first time in the financial statements, amounting to $34.4 million, the Board observed that $31.5 million was not funded;

(c) The results of the Fund's non-expendable property verification exercise had not been received from the Property Management and Inventory Control Unit of the United Nations and the Fund's asset register had not been updated as a result;

(d) The Pension Fund did not maintain an ageing schedule for its accounts payable or for its benefits payable;

(e) Payroll summaries received from member organizations were not properly reconciled and monthly differences were not resolved.

22. **The Advisory Committee concurs with the Board of Auditors with respect to its findings.**

VIII. Governance matters

23. The Advisory Committee notes that, with regard to the term of appointment of the Deputy Chief Executive Officer/Deputy Secretary, the Pension Board had decided at its fifty-fifth session, in 2008, to recommend to the Secretary-General of the United Nations the reappointment of the incumbent Deputy Chief Executive Officer for a second five-year term commencing on 1 January 2009. The report of the Pension Board indicates that the Secretary-General decided to reappoint the Deputy Chief Executive Officer for a three-year term, which commenced on 1 January 2009, with the possibility of a further two-year extension. **The Advisory Committee notes that the Secretary-General did not accept the recommendation of the Pension Board with regard to the length of appointment of the Deputy Chief Executive Officer. In view of the responsibility of the Pension Board as a legislative body of the Fund and its decision to establish in the Rules of Procedure of the Fund a five-year term for the appointment of the Chief Executive Officer and the Deputy Chief Executive Officer with one additional reappointment, the Advisory Committee believes that the Secretary-General should be guided by the decision of the Pension Board.**

IX. Benefit provisions of the Fund

24. The Advisory Committee notes that the Pension Board discussed an amendment to the Regulations and Rules to allow contributions for part-time staff to enable such staff to "buy" time in order to receive a pension that is equivalent to a pension based on full-time employment status while a participant. The Pension Board decided that the measure should be adopted for reasons of fairness and

flexibility, as well as to demonstrate the Fund's sensitivity to gender issues, given that the majority of part-time staff in the member organizations were female. Further, the Board indicated that the amendment had been reformulated to meet the concerns of the Advisory Committee by ensuring parity for part-time staff who had been hired on full-time employment status and later converted to part-time status, and providing that the amendments are to be formulated to include the same constraints that apply to periods of leave without pay for full-time staff (see A/65/9, paras. 262-265).

25. **The Advisory Committee recalls its position in its previous report (see A/63/556, para. 19) and therefore does not support the proposed amendments to the Fund's Regulations and Administrative Rules.**

X. Conclusion

26. A summary of the matters requiring the attention of and decisions by the General Assembly is provided in the proposed draft resolution contained in annex XX to the Board's report (A/65/9). **The Advisory Committee recommends approval of the Pension Board's proposals (A/65/9, chap. II, para. 12), subject to the observations and recommendations in paragraphs 3, 24 and 25 above.**

United Nations A/65/568

General Assembly

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Sixty-fifth session
Agenda item 140
Administration of justice at the United Nations

Letter dated 5 November 2010 from the Secretary-General addressed to the President of the General Assembly

I have the honour to transmit the letter dated 20 October 2010 that I received from Judge Jean Courtial, President of the United Nations Appeals Tribunal (see annex), forwarding a note that sets out the views of the judges of the Tribunal on their status and the Appeals Tribunal Registry.

The President requests that the note be circulated as a document of the General Assembly.

(*Signed*) **BAN** Ki-moon

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Annex

I would like to avail myself of this opportunity to present my compliments to you, and have the honour to transmit the views of the judges of the United Nations Appeals Tribunal regarding their status and the situation of the Appeals Tribunal Registry (see enclosure).

I should be grateful if the enclosed note could be circulated as a document of the General Assembly, under agenda item 140.

(*Signed*) Jean **Courtial**
President

Enclosure

Further improvements are necessary for the United Nations Appeals Tribunal

After meeting in a plenary session — and with the experience gained during the first year of operation — the judges of the United Nations Appeals Tribunal believe that the following improvements are necessary.

1. **The status of the United Nations Appeals Tribunal judges — or lack of it — has impeded the professional functioning of the Tribunal. The judges of the United Nations Appeals Tribunal should be accorded status equal to a Cabinet member in the United Nations system.**

The authority of the United Nations Appeals Tribunal in the new system of administration of justice in the United Nations, its judgements and its emerging jurisprudence, as well as its independence to a certain extent, depend on the position of its judges in the United Nations Organization. If the Appeals Tribunal judges are not treated decently, as, according to the statute of the Tribunal (article 3), professional, senior (at least 15 years of judicial experience) judges, the goal to establish an independent, professionalized system of justice will be put at serious risk.

Judges have been accorded a low status. The United Nations system is rank conscious. Even with respect to such major issues as the allocation of temporary office space, issues have been raised that the status of the judges is "too low" to qualify for certain space. And decisions made by officials with low status (D-2) are given less weight. Not to mention issues of judicial independence.

Because Appeals Tribunal judges are paid on a per case basis, raising the status will have minimal financial implications.

The Internal Justice Council recalls in its report (A/65/304, para. 35) that:

> ... in paragraph 7 of its resolution 64/233, the General Assembly requested the Secretary-General to report to it at the sixty-fifth session on the status of judges of the Appeals Tribunal, and their entitlements, including travel and daily subsistence allowance ... it is therefore very desirable to attract to its ranks the ablest judges from national superior courts, who have senior ranking in their own countries. This matter has not been raised with a view to increasing the remuneration of judges [Appeals Tribunal judges are not paid a salary] and therefore the possibility of detaching questions of remuneration from rank should be investigated. The Council suggests reconsideration of this issue by the General Assembly.

The Secretary-General accordingly recommends in his report (A/65/373, para. 241):

> (f) With respect to travel entitlements for the Appeals Tribunal judges, the Secretary-General recommends that travel privileges that were provided to the former judges of the United Nations Administrative Tribunal be accorded to the Appeals Tribunal judges ...

2. **Staffing of the Appeals Tribunal Registry is drastically inadequate. At the very minimum, two additional legal officers and two additional legal assistants should be added.**

In both the report of the Internal Justice Council and the report of the Secretary-General this crucial issue is addressed with similar wording.

The Internal Justice Council notes in its report (A/65/304):

> 36. At present, the Appeals Tribunal has a Registrar, a P-3 legal officer, a legal assistant at G-6 level and an administrative assistant at G-5. From 1 July 2009 to 30 June 2010, the Appeals Tribunal had a caseload of 110 cases, including 19 transferred from the old system in January 2010. After two sessions, decisions have been handed down in 64 cases.... The experience of the last two sessions of the Appeals Tribunal is that, with its current staffing, the registry is unable to prepare the legal memoranda and summaries of issues to the standard and with the speed necessary for the judges to carry out their work effectively and efficiently.... A useful comparison can be drawn with the International Labour Organization Administrative Tribunal (upon which the Appeals Tribunal is modelled), which also handles approximately 110 cases per year and has seven lawyers in the registry, as well as the Registrar and Assistant Registrar, two secretaries, a network administrator who also works as a proofreader, and four typists during a session.
>
> 37. The Internal Justice Council notes that the Redesign Panel recommended the Appeals Tribunal have, in addition to the Registrar, three legal officers and one administrative assistant (A/61/205, annex III). The Council also notes that the Secretary-General recommended a similar staffing level of three legal officers and three administrative assistants (A/62/294, annex IX). The Council requests the General Assembly to reconsider the recommendations of the Redesign Panel and of the Secretary-General with respect to the staffing of the Appeals Tribunal, so that it could have three legal officers, at least one of whom should be competent in French, and three legal assistants. The Council is of the view that this staffing level should be adequate to provide the President of the Appeals Tribunal with support relating to his or her functions ...

The Secretary-General in his report (A/65/373) stresses:

> 47. The Appeals Tribunal is a court of review, considering appeals from both staff and management. Additionally, pursuant to article 2.10 of the statute of the Appeals Tribunal, the Secretary-General has concluded agreements with five agencies that have access to the Tribunal as an administrative tribunal ...
>
> 48. The current staffing of the Registry of the Appeals Tribunal cannot fully support the Tribunal and allow it to process the cases in a timely way. Given the staffing level of the Registry, there is a substantial likelihood that a new backlog of cases will accumulate at the appellate level. Delay was one of the negative attributes of the former system and allowing a new backlog at such an early stage in the new system's functioning would undermine an important part of the reform effort.

The Appeals Tribunal judges agree with the diagnosis of both reports. They insist on the importance of giving the Appeals Tribunal the resources to perform its functions in a professional manner. The Administrative Tribunal of the International

Labour Organization, a similar court with an almost identical caseload, has more than twice the staff. With one legal officer and another post not regularly funded, the Appeals Tribunal has been placed in a precarious and detrimental situation that undermines the whole system of administration of justice in the United Nations.

These are some of the immediate changes necessary for the proper functioning of the United Nations Appeals Tribunal as a professional, transparent, independent court.

Jean Courtial
President
20 October 2010

United Nations A/65/569–S/2010/581

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Security Council

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Sixty-fifth session
Agenda item 36
The situation in the Middle East

Security Council
Sixty-fifth year

Identical letters dated 29 October 2010 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

On instructions from my Government, I have the honour to transmit to you herewith the position of Lebanon, in preparation for the comprehensive assessment that will be presented by the Secretary-General in his forthcoming report on the implementation of Security Council resolution 1701 (2006) (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the sixty-fifth session of the General Assembly, under agenda item 36, and of the Security Council.

(*Signed*) Nawaf **Salam**
Ambassador
Permanent Representative

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Annex to the identical letters dated 29 October 2010 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

Lebanese Republic
Ministry of Foreign Affairs and Emigrants

Position of Lebanon in preparation for the comprehensive assessment that will be presented by the Secretary-General in his forthcoming report on the implementation of Security Council resolution 1701 (2006)

In preparation for the comprehensive periodic assessment that will be presented by the Secretary-General in his forthcoming report on the implementation of Security Council resolution 1701 (2006), Lebanon would like to note that ever since that resolution was adopted, it has devoted itself to the presentation of a paper that expresses its position with respect to the comprehensive assessment of the Secretary-General. Lebanon believes that from the day resolution 1701 (2006) was adopted, Israel has failed to honour its obligation to implement it or to withdraw from all occupied Lebanese territory, and has persisted in violating Lebanese sovereignty, thereby ensuring that no progress has been made in the implementation of resolution 1701 (2006) with respect to obliging Israel to withdraw from all Lebanese territory and cease its infractions. Lebanon would like to draw attention to the following:

1. Lebanon reiterates its commitment to the full implementation of resolution 1701 (2006) and calls on the international community to bring pressure to bear on Israel to fulfil its obligation to implement that resolution in full; and exert greater, serious, efforts to achieve a permanent ceasefire.

2. Since the last assessment, the Israeli enemy army has continued to violate Lebanese sovereignty in contravention of the provisions of resolution 1701 (2006). Those violations included the following:

(a) During the reporting period, the Israeli enemy army continued to violate Lebanese airspace, territory and territorial waters, committing 297 air violations, 45 sea violations and 59 land violations, in flagrant violation of Lebanese sovereignty and the provisions of resolution 1701 (2006), which calls for full respect for the Blue Line. Lebanon demands the immediate cessation of such violations and rejects any attempt to link them to Israeli allegations of arms smuggling.

Lebanon affirms that some 7,346 air, sea and land violations of the Blue Line and Lebanese sovereignty committed by Israel since the adoption of resolution 1701 (2006) constitute a flagrant violation of the aforementioned resolution and all other relevant United Nations resolutions, the most important of which is resolution 425 (1978) of March 1978. Between the Israeli onslaught on Lebanon in 2006 and February 2010 there were between three and four Israeli violations per day. Since March 2010 the daily average to date is 11 violations, in addition to repeated Israeli threats to destroy the infrastructure of Lebanon.

Those violations threaten international peace and security and constitute a flagrant violation of the purposes and principles of the Charter of the United Nations. Lebanon calls upon the international community to bring pressure to bear on Israel and oblige it to cease its daily violations of Lebanese sovereignty and to respect the international resolutions adopted by the United Nations.

(b) Lebanon reminds the international community yet again that Israel is seeking to undermine resolution 1701 (2006) by every means possible. On 7 December 2009, Israeli Prime Minister Benjamin Netanyahu declared that resolution 1701 (2006) had collapsed.

(c) The networks of spies that were recruited by the Israeli enemy constitute a blatant aggression against Lebanon, an attack on its sovereignty and a flagrant violation thereof that contravenes international resolutions and, in particular, Security Council resolution 1701 (2006). More than 140 collaborators were recruited by Israel in order to assist its intelligence apparatus, and were under orders to undertake sabotage operations both within and beyond the areas of Lebanon in which the United Nations Interim Force in Lebanon (UNIFIL) is deployed. Those spy networks threatened national security by infiltrating Lebanese society and civil and military institutions through the recruitment of collaborators to work in the interests of Israeli intelligence. Those collaborators were ordered to undertake sabotage operations that included the detonation of explosives, the assassination of prominent Lebanese citizens, terrorist activities and attacks on Lebanese infrastructure. The networks, by using the collaborators to gain control over Lebanese land and mobile communications and eavesdrop on Lebanese citizens, also constituted an infringement of the security of communications in Lebanon that continues to this day, given that those collaborators provided Israel with the frequencies and passwords for the services of mobile telephone providers and their base transceiver stations, in addition to providing precise, in-depth studies on the operational procedures of mobile stations. Lebanon lodged a complaint with the Security Council with regard to the spy networks that were cultivated in Lebanon by Israel, in which it detailed some of the sabotage operations that they carried out on the direct orders of the Israeli intelligence services. That complaint was issued as an official document of the Security Council and the General Assembly (A/64/908-S/2010/460).

(d) On 27 June 2010, at 3 p.m., an Israeli enemy patrol abducted Lebanese citizen Imad Hassan Atwi, who was herding his flock inside Lebanese territory on the outskirts of the village of Saddanah, located between Shab'a and Kafr Shuba. Israeli enemy forces bound, blindfolded and beat him in full view of UNIFIL personnel, who attempted to intervene. But the hostile Israeli forces quickly withdrew into the occupied Shab'a Farms, dragging Mr. Atwi along the ground for more than 300 metres. They led him into a tent behind the Blue Line where they severely beat and tortured him until he lost consciousness. Israeli enemy forces then took him into occupied Palestinian territory, where he was interrogated by Israeli intelligence. On 28 June 2010, at 2.15 p.m., approximately 24 hours after having kidnapped him, Israeli enemy forces handed over Mr. Atwi to UNIFIL at the Naqurah crossing. UNIFIL in turn handed him over to the Lebanese Army, which took him to hospital because of his extensive bruises, contusions and other serious physical injuries. That abuse represents a flagrant violation of Lebanese sovereignty, Security Council resolution 1701 (2006) and international law, and demonstrates yet again Israel's contempt for international resolutions. Lebanon lodged a complaint

with the Security Council which was issued as an official document of the Security Council and the General Assembly (A/64/853-S/2010/351).

(e) On Monday, 5 July 2010, at 6.30 a.m., an Israeli enemy military patrol comprising some 12 servicemen crossed the withdrawal line at Saddanah, on the outskirts of Shab'a, and penetrated some 40 metres into liberated Lebanese territory. They searched the area before leaving at approximately 7 a.m. The entry of Israeli forces into Lebanese territory constitutes a flagrant violation of Lebanese sovereignty, international law and Security Council resolution 1701 (2006), and a threat to international peace and security. Lebanon lodged a complaint with the Security Council which was issued as an official document of the Security Council and the General Assembly (A/64/912-S/2010/482).

(f) On Friday, 15 July 2010, at 9.45 a.m., a group of some 10 Israeli enemy forces infiltrated Lebanese territory from their Ruwaysat al-Alam position within the occupied Shab'a Farms area, penetrating some 31 metres into the Kafr Shuba area in an attempt to abduct Lebanese citizen Fadi Yousef al-Uqaybi, who was guarding his flock near Birkat Ba`tha'il in the environs of Kafr Shuba. Lebanese Army personnel were advised of the Israeli infiltration and warned the Lebanese shepherd that those men were probably coming towards him. He had no option but to flee in the direction of the Lebanese Army positions in the region, where the soldiers were placed on alert and adopted combat positions in the face of the mobilization of the Israeli enemy, which had also positioned several tanks in the area. That blatant Israeli attack on Lebanese territory heightened tension. It represents a flagrant violation of Lebanese sovereignty, Security Council resolution 1701 (2006), international law and the Charter of the United Nations, and affirms yet again Israel's contempt for international resolutions and its determination to continue to pursue its aggressive and provocative policies and to continually threaten international peace and security. Lebanon has repeatedly complained of the continual abductions that are carried out by Israeli enemy forces of helpless Lebanese civilians who are beaten and subjected to mental and physical injury, thereby affirming Israel's determination to pursue a policy of aggression against Lebanon. Lebanon demands that the Security Council should fulfil its responsibilities and take appropriate measures to prevail upon Israel to cease its violation of Lebanese sovereignty and to abandon its aggressive policy towards Lebanon.

(g) On Tuesday, 3 August 2010, at precisely 7.45 a.m., the commander of the Lebanese [illegible] unit received a communication from the UNIFIL liaison unit to the effect that enemy Israeli army intended to cross the technical fence in the area of Ua[illegible] at 0800 hours local time, in order to cut down a tree. On examining the matter the Lebanese Army became aware that demarcation of the area involved was disputed by Lebanon. The UNIFIL liaison unit officer conveyed that information to the Israeli side, stating that the Israelis were not entitled to take any action without prior coordination with the international and Lebanese sides. The Lebanese Army informed UNIFIL that the latter could, if necessary, perform the required task in place of the Israeli Army. The Israeli side persisted in its intention to cross the technical fence and cut down the tree. It did so in the knowledge that the Lebanese side had informed UNIFIL of its rejection of that move. The Lebanese Army and the enemy Israeli Army then entered a state of high alert on either side of the border. UNIFIL forces were also present. At 1145 hours, in order to cut down the tree, the Israeli Army brought in a hoist manned by one soldier, prompting Lebanese

Army personnel to fire warning shots into the air. The Israeli side responded with targeted fire towards the Lebanese Army, leading to an exchange of fire between the two sides. At 1245 hours precisely, the Israeli Army bombarded Lebanese Army positions at Nabi Uwaydah hill, Udaysah and Mashru` al-Tayyibah. Lebanese Army units responded with light and medium weapon fire. The Israeli bombardment resulted in the martyrdom of two Lebanese corporals and one Lebanese journalist. Eleven soldiers sustained various injuries. One civilian was injured and three personnel carriers caught fire. It was decided at around 1500 hours that both sides would cease fire. The Lebanese side complied at once. However, the Israeli side delayed for some time, and continued to bombard Lebanese positions before agreeing, as a result of UNIFIL efforts, to hold its fire. That Israeli act of aggression constitutes a flagrant contravention of Lebanese sovereignty, Security Council resolution 1701 (2006), international law and the Charter of the United Nations. It affirms yet again Israel's disdain for international resolutions, its determination to pursue its aggressive and provocative policy, and the threat which it persistently poses to international peace and security. Lebanon insists that the Security Council must fulfil its duties by taking the appropriate measures to ensure that Israel ceases its violations of Lebanese sovereignty and ends its policy of aggression towards Lebanese territory and citizens. Israel must be held accountable before the international community. UNIFIL conducted an investigation into that Israeli act of aggression and Lebanon expressed its reservations as to the outcome of that investigation. Lebanon lodged a complaint with the Security Council which was issued as an official document of the Security Council and the General Assembly (A/64/888-S/2010/418).

(h) On Wednesday, 4 August 2010, at 2.39 a.m., an Israeli enemy military launch violated Lebanese territorial waters some 500 metres off Naqurah and approached a Lebanese fishing boat north of the line of buoys. The entry of Israeli naval forces into Lebanese territorial waters constitutes a flagrant violation of Lebanese sovereignty, international law and Security Council resolution 1701 (2006), and a threat to international peace and security. Lebanon lodged a complaint with the Security Council which was issued as an official document of the Security Council and the General Assembly (A/64/912-S/2010/482).

(i) UNIFIL continues to exert every possible effort to ensure that Israeli forces withdraw completely from the area known as 14B, which is the Lebanese part of the village of Ghajar and the uninhabited adjacent area, and the Lebanese Government is continuing to cooperate with UNIFIL with a view to achieving that aim. Notwithstanding those efforts, the Israeli army continues to occupy the aforementioned area, in flagrant violation of its obligations under Security Council resolution 1701 (2006), which provides that Israel must withdraw immediately and unconditionally from the village of Ghajar. Israel's procrastination with regard to withdrawal from the area known as 14B compels us to question the sincerity of Israel's commitment to implementation of that resolution and the extent to which the Security Council is capable of obliging that country to end its occupation. It is incumbent upon the international community to take action to ensure that Israel completely withdraws from the Lebanese part of the village of Ghajar and area 14B as soon as possible. The Israeli Government is attempting to prevaricate, regardless of the fact that such withdrawal does not constitute a concession, but is one of the key requirements of Security Council resolution 1701 (2006).

(j) Lebanon believes that the continued occupation by Israel of the Lebanese Shab'a Farms and Kafr Shuba hills constitutes a threat to stability and security along the whole border. Lebanon requests the international community to bring pressure to bear on Israel to completely and unconditionally withdraw from all Lebanese territory, and urges the Secretary-General of the United Nations to intensify his efforts to ensure that Israel withdraws from that territory. Lebanon reminds the international community that, under the provisions of Security Council resolution 1701 (2006), Israel is obliged to withdraw from the Shab'a Farms and Kafr Shuba hills. It is essential that the remit of UNIFIL should be extended to the Shab'a Farms and Kafr Shuba hills in preparation for the handover of those two areas to the Lebanese State.

(k) Lebanon would like to bring to the attention of the international community yet again the fact that the maps relating to cluster bombs that Lebanon has received from Israel are incomplete and imprecise. Israel dropped those bombs randomly on densely populated civilian areas, thereby causing the death or injury of more than 357 persons, including 34 children and 70 youth. It should once more be underlined that the Government of Lebanon had its doubts about the precision of the maps that it received from Israel, and demands that information should be deposited regarding the dates on which the cluster bombs that were used during the Israeli raids were dropped, together with the quantity and type of those bombs. It should also once again be stressed that the Lebanese Army has asked for aerial photographs or video pictures of the targeted areas before and after the bombardments. Israel bears entire responsibility and should pay compensation for the deaths of numerous Lebanese citizens that have been caused by the cluster bombs and unexploded ammunition that were dropped by Israel during its onslaught on Lebanon, and for the numerous crimes that Israel has committed against Lebanon and its population. Lebanon urges the United Nations and donor countries to continue to address that issue, in order to protect the lives of innocent civilians, and to call for the Lebanon Mine Action Centre to be granted the necessary financial resources to enable it to carry out its mandate.

(l) The Israeli army has continued to use launches to conduct illegal patrols inside Lebanese territorial waters close to the so-called "line of buoys" that was positioned unilaterally and illicitly inside those waters. Israel makes the fraudulent claim that those buoys approximate the southern border of Lebanese territorial waters. The Israeli army has also continued to fire warning shots and launch grenades at Lebanese fishing boats. Furthermore, it regularly detonates explosive charges close to the aforementioned line, inside Lebanese territorial waters. In the twelfth report of the Secretary-General on the implementation of Security Council resolution 1701 (2006) (S/2010/105), paragraph 29, the Secretary-General warned that those Israeli measures contribute to increasing tension between the parties. Lebanon does not recognize any line that has been put in place unilaterally, and considers that the Israeli measures are a further violation of Lebanese sovereignty and Security Council resolution 1701 (2006). Lebanon requests the United Nations to authorize UNIFIL to put in position in the region a line of buoys that is in keeping with international standards.

(m) On 9 July 2010, Lebanon deposited with the United Nations a map on which the southern maritime border with occupied Palestine is clearly marked, together with the exclusive economic zone of Lebanon. The geographical coordinates of the borders, which were set forth in accordance with international

standards, are specified. On 11 October 2010, Lebanon also deposited with the United Nations two maps designating the south-western maritime borders of the aforementioned economic zone, together with two tables in which are set forth the geographical coordinates of those borders.

3. The Lebanese Army is continuing to strengthen field and strategic cooperation with UNIFIL.

(a) The coordination between the Lebanese Army and UNIFIL is particularly evident in their joint patrols, joint checkpoints and joint military training operations and exercises.

(b) Lebanon stresses the fact that none of the reports of the Secretary-General on the implementation of Security Council resolution 1701 (2006) has made any reference to indications that weapons are smuggled into the UNIFIL area of operations. All weapons that have been seized are remnants of the war conducted against Lebanon by Israel in the summer of 2006. Lebanon further stresses once again that the Lebanese Army and the Lebanese security apparatus have not reported any incidence of weapon smuggling since the most recent report of the Secretary-General on the implementation of Security Council resolution 1701 (2006) was submitted to the Security Council.

(c) Israel's claim that weapons are being stockpiled and military installations established in densely populated civilian areas in South Lebanon bears no relation to the truth, and is designed to facilitate the targeting by Israel of innocent Lebanese civilians and justify their slaughter and terrorization, regardless of the fact that all international instruments and, in particular, those of international humanitarian law, outlaw and penalize the targeting of civilians.

(d) Lebanon continues to participate in tripartite meetings that are held with a view to maintaining peace along the Blue Line. Those meetings are the appropriate place in which to address issues pending from resolution 1701 (2006) and flashpoints along the aforementioned Line. Israel's persistence in resorting to unilateral measures undermines those tripartite meetings and the role of UNIFIL in maintaining the peace in its area of operations. Furthermore, those unilateral measures are intended to raise doubt as to the capacity of the Lebanese armed forces to defend the sovereignty of all Lebanese territory, contrary to the spirit of resolution 1701 (2006).

(e) With respect to the positioning of markers along the Blue Line, Lebanon affirms yet again the agreement that was reached at the tripartite meeting with a view to making progress in and accelerating that operation. Israeli procrastination in that regard raises doubts as to its real intentions.

4. Lebanon stresses the importance of strengthening and raising the level of international assistance in building the capacities of the Lebanese Army and security forces and preparing them to perform their duty to defend Lebanese sovereignty and protect the Lebanese people. The Lebanese Army needs reinforcements of arms and ammunition and to acquire more modern means of surveillance and up-to-date communications equipment. It also requires training in the use of all such equipment and apparatus.

5. Notwithstanding the limited capacities and resources of the Lebanese Army, the Government of Lebanon has decided to deploy two additional battalions south of

the Litani river, in order to further demonstrate its commitment to the implementation of resolution 1701 (2006).

6. The issue of monitoring the borders is one of the first priorities of the Government of Lebanon, as is demonstrated by the appointment by the Prime Minister of a minister with responsibility for preparing a comprehensive national border strategy that will be submitted to the ministerial committee for border management, which will submit the strategy to the Cabinet for adoption.

7. At the economic level, we once more support the call that is made to the international community in resolution 1701 (2006) to extend more of the assistance that is necessary for the reconstruction and development of Lebanon. In that connection, we urge States that took part in the Stockholm Conference, Paris III and the Vienna Conference to honour their commitments. Lebanon greatly appreciates all economic and social programmes and humanitarian assistance that UNIFIL provides to the Lebanese people in its area of operations, including projects that have an immediate impact and emergency medical services.

8. If stability and security are to be reinforced, there must be a transition from the situation of a cessation of hostilities to a state of permanent ceasefire.